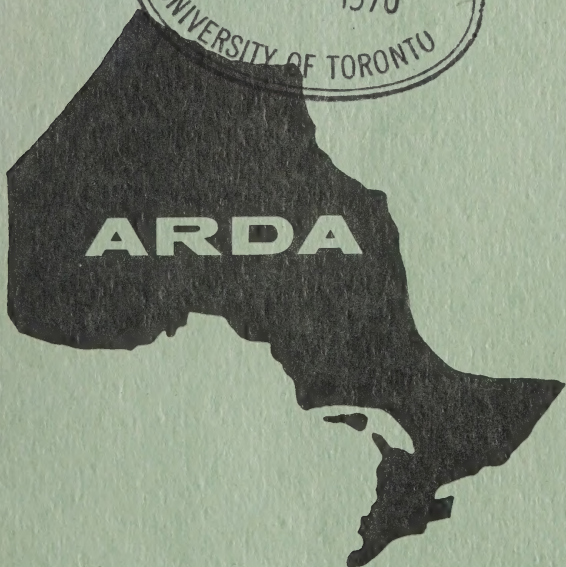
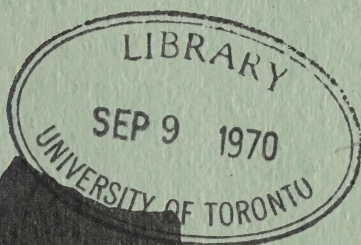


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FARM ENLARGEMENT for ONTARIO FARMERS



ONTARIO

DEPARTMENT OF AGRICULTURE AND FOOD
Parliament Buildings, Toronto

EVERETT BIGGS
Deputy Minister

HON. WM. A. STEWART
Minister

FOREWORD

The Federal-Provincial Rural Development Agreement 1970-75 places major emphasis on the following programs to assist rural people make adjustments which they feel are necessary to improve their income:

Farm Enlargement

Land Consolidation and Adjustment

Retraining and Rehabilitation

Resource Development

Alternative Income and Employment Opportunities

This brochure describes the farm enlargement program. Its purpose is to assist farmers to enlarge their farms to a more economically productive unit. This program is administered by the ARDA Branch of the Ontario Department of Agriculture and Food through its field staff whose locations are shown on the last page.

The ARDA field staff provides a continuing counselling service to rural people, to help them identify their problems, and counsel them on the choice of alternatives through a wide variety of programs, that best meet their needs.

H.F. Crown
Director, ARDA Branch

FARM ENLARGEMENT

The tremendous agricultural technological advancements since 1945 have demanded increasing amounts of land, management skills, and capital to produce a satisfactory farm income. Farmers who are restricted in any or all of these three ingredients ——— land, management skills, and capital ——— must either make the necessary adjustments or move into other forms of employment. The Report of the Farm Income Committee made reference to this same problem and the need for such adjustment measures for some estimated 20,000 farm families in Ontario who are located on small, uneconomic-sized farms, too small to provide a farmer with an adequate income. In many cases these small farms are owned either by elderly people who do not wish to make further capital investments, or by those whose income is largely from off-farm sources. At the same time adjoining, full-time farmers often need this additional land to make an efficient, economic farm unit. For the first group, assistance is needed to enable them to make the adjustment out of agriculture. For the second group, adjustment measures are needed to enable them to expand their farm operations to economic units.

The Government of Ontario, under the Federal-Provincial Rural Development Agreement, inaugurated the Farm Enlargement and Consolidation Program in 1966 to help farmers make the necessary adjustments. It enables those who wish to remain in agriculture to enlarge their holdings into improved economic farm units. The policy also enables elderly farm people to retire and retain a lease on the house for their use. Special

assistance in moving and retraining is offered to sellers who wish to become established in non-farm employment, or relocate on more economic farm units. Keeping in mind the need for skilled farm labor in this Province, assistance in moving and advice on obtaining work are provided to those who sell their farms and want to remain employed in agriculture.

WHO CAN QUALIFY

To be eligible, an applicant must be primarily engaged in the operation of a basic unit which he owns. The applicant must have sufficient other productive inputs (capital, livestock, equipment) and demonstrated farm management ability to indicate that he may be reasonably expected to develop a viable economic farm unit. Applicants must be prepared to maintain adequate farm records. Farm enlargement should only be considered when it is clearly indicated that land is the prime restricting factor in the development of a viable unit.

PURCHASE OF FARMS

Farms to be purchased will be acquired only if they are offered for sale by the owner, with the cost of land restricted to a maximum of \$150 per acre. Owners who wish to sell their farms to ARDA for this program should provide a full description of the farm and the asking price to County or District offices of the Ontario Department of Agriculture and Food. An Offer to Purchase, based on an evaluation of market value by an experienced and qualified farm appraiser, will be made to the owner by the ARDA Directorate of Ontario. If this

offer is accepted by the owner, a cash payment is made on completion of the sale to ARDA. Generally speaking, farms to be acquired for the enlargement of an existing farm unit should not be less than 50 acres of arable land, and located adjacent or very close to the farm unit to be enlarged.

If an elderly owner of the farm to be purchased wishes to continue to reside in the farm house, he may be granted a life lease for the house. Where consistent with municipal planning, any owner may retain title to the house and a suitable lot if he so desires. In this event, it would be the responsibility of the owner to supply a survey and fence the property he retained.

REPAYMENT TERMS

After purchase by ARDA, the farm will be leased to the applicant for enlargement for five years. The lease allows the applicant to purchase the land at any time during the term of the lease at the original capital cost or he may renew the lease for a further five-year term with the same option to purchase. At the expiration of ten years the applicant will have the option to continue to lease for five-year periods. If the applicant wishes to purchase the leased farm after ten years, the farm will be sold on the basis of current market value.

The rental payments which are due November 1 of each year are as follows for the first five-year lease:

First Year — Taxes and insurance premiums on buildings.

Second, Third, Fourth and Fifth Years — Taxes, and insurance plus five percent interest on the capital.

For the second five-year term the pay-

ments will be taxes, insurance, and interest at provincial prime borrowing rate less one percent.

For each succeeding five-year lease, the rental payment would be taxes, insurance, plus interest at provincial prime borrowing rate plus one percent.

LAND IMPROVEMENT

The farmer who leases land from ARDA under the Farm Enlargement Program may have approval for development, up to \$50 per cultivated acre.

Land may be improved in many ways to increase productivity. Such improvements as fencing, drainage, clearing and breaking, and stone and brush removal will increase productivity materially and enable the farm operation to give greater returns. No funds will be made available for building improvements under this program. Funds approved for land improvement purposes will be added to the purchase price of the land and form part of the capital cost.

An owner selling his farm under this program may receive assistance under the Manpower Retraining Program to obtain job training for other employment. Provision is made to assist this person in moving to a new location when training has been completed and employment found. Supplementary Rehabilitation Grants are available for rural people, where needed, in order to provide assistance to meet their particular needs.

WHERE TO APPLY

Application forms for farm enlargement may be obtained from Rural Development Officers and Rural Development Counsellors. In areas where there is no ARDA field staff, applications may be obtained from the County or District Office of the Ontario Department of Agriculture and Food.

RURAL DEVELOPMENT FIELD STAFF ARDA BRANCH

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